



## Central Montana Communications, Inc.

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PO Box 751 • Havre MT 59501

Phone (406) 394-2000 • Fax (406) 394-7801

June 30, 2014

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Re: WC Docket No. 10-90, Annual §54.313 Report of High-Cost Recipient

Dear Ms. Dortch:

Enclosed herein is the annual report for Central Montana Communications, Inc., Study Area Code 483310 pursuant to §54.313 of the Commission's rules. Central Montana Communications, Inc. is a state-designated ETC.

Should you have any questions, please contact me via e-mail at [rstevens@itstriangle.net](mailto:rstevens@itstriangle.net) or by phone at (406)394-7807.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. Stevens", is written over a horizontal line.

Richard Stevens  
General Manager

Enclosure

Cc: Montana Public Service Commission  
Fort Belknap Tribal Council

*Keeping Montanans In Touch With The World*

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	483310
<015>	Study Area Name	CENTRAL MONTANA
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Gail Rainey
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4063947807 ext. 855
<039>	Contact Email Address: Email of the person identified in data line <030>	grainey@itstriangle.net

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
			<i>(check box when complete)</i>	
<100>	Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200>	Outage Reporting (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> ← check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	2 483310mt310.pdf	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310>	Detail on Attempts (voice)	<i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330>	Detail on Attempts (broadband)	<i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440>	Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450>	Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	483310mt510.pdf	<i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	483310mt610.pdf	<i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710>	Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800>	Operating Companies and Affiliates	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)?	<i>(if yes, complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000>	Voice Services Rate Comparability	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010>	483310mt1010.pdf	<i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100>	Terrestrial Backhaul (Y/N)?	<i>(if not, check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>		<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>		<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>		<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet</b>				
<3000>		<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>		<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	483310
<015>	Study Area Name	CENTRAL MONTANA
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@tsttriangle.net
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

483310mt112.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.


FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

[illegible]



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[illegible]

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Page 5

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<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itsetriangle.net
<810>	Reporting Carrier	Central Montana Communications, Inc.
<811>	Holding Company	NA
<812>	Operating Company	NA

Page 6

**(900) Tribal Lands Reporting  
Data Collection Form**

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&lt;910&gt; Tribal Land(s) on which ETC Serves

Fort Belknap Indian Reservation

&lt;920&gt; Tribal Government Engagement Obligation

483310mt920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select  
(Yes, No,  
NA)

Yes



Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481

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July 2013

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<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

Please check this box to confirm no terrestrial backhaul  
<1120> options exist within the supported area pursuant to § 54.313(G) ☐

Please check this box to confirm the reporting carrier offers  
<1130> broadband service of at least 1 Mbps downstream and 256 kbps  
upstream within the supported area pursuant to § 54.313(G) ☐



**(1200) Terms and Condition for Lifeline Customers****Lifeline  
Data Collection Form**

FCC Form 481

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July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

483310mt1210.pdf

&lt;1210&gt; Terms &amp; Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

&lt;1220&gt; Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

**(2000) Price Cap Carrier Additional Documentation****Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

<2010>	2nd Year Certification {47 CFR § 54.313(b)(1)}	<input type="checkbox"/>
<2011>	3rd Year Certification {47 CFR § 54.313(b)(2)}	<input type="checkbox"/>

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
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**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<input type="checkbox"/>

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

**(3000) Rate Of Return Carrier Additional Documentation****Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code	483310
<015> Study Area Name	CENTRAL MONTANA
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<030> Contact Name - Person USAC should contact regarding this data	Gail Rainev
<085> Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext. 855
<039> Contact Email Address - Email Address of person identified in data line <030>	grainev@tsttriangle.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan  
Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☐

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))  
(3014) If yes, does your company file the RUS annual report

(Yes/No)

(Yes/No)

☒ ☒

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)  
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☒
☒

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

483310mt3017.pdf

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, Is your company audited?

(Yes/No)

☐ ☐

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

☐

- (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

- (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit.

☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

☐

- (3023) Underlying information subjected to a review by an independent certified public accountant

☐

- (3024) Underlying information subjected to an officer certification.

☐

- (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: CENTRAL MONTANA	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/26/2014
Printed name of Authorized Officer: Richard Stevens	
Title or position of Authorized Officer: General Manager/CBO	
Telephone number of Authorized Officer: 4063947807 ext.852	
Study Area Code of Reporting Carrier: 483310	Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments



**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

**Five-Year Service Quality Improvement Plan – §54.313 (a)(1)**

Pursuant to 47 C.F.R. 54.202(a)(1)(ii), Central Montana Communications, Inc. submits a five-year plan that describes proposed improvements or upgrades to its network throughout its proposed service area. Central also provides estimates regarding the area and population that will be served as a result of the improvements. This plan is based on Central's current business and financial conditions and is subject to change as a result of changes in those conditions.

The receipt of USF support, combined with other funding sources will allow Central to continue to provide reliable, state-of-the-art, high-quality voice and broadband service to its 6,796 rural customers. Central has thirteen (13) wire centers identified as follows: HRLMMTXCDS0 in Harlem, MT, MOORMTXCRS1 in Moore, MT, DDSNMTXCRS1 in Dodson, MT, HBSNMTXCRS1 in Hobson, MT, JDGPMTXCRS1 in Judith Gap, MT, WSSPMTXCDS0 in White Sulphur Springs, MT, STFRMTXCRS1 in Stanford, MT, DNTNMTXCRS1 in Denton, MT, MRDLMTXCRS1 in Martinsdale, MT, FTBNMTXCDS0 in Fort Benton, MT, HRTNMTXCRS1 in Harlowton, MT, MALTMTXCDS0 in Malta, MT, and GLDNMTXCRS1 in Geraldine, MT.

Of these wire centers, FTBNMTXCDS0 in Fort Benton, MT, MALTMTXCDS0 in Malta, MT and WSSPMTXCDS0 in White Sulphur Springs, MT have already been upgraded to FTTH in the years 2009, 2012 and 2013. All three wire centers are capable of delivering gigabit active Ethernet services. Subscribers served by these facilities have access that meets or exceeds the 4/1 Mbps standard. No capital improvements are required for those subscribers meeting the 4/1 Mbps standard other than maintenance of facilities. Approximately 35.9 million dollars has been spent constructing these FTTH upgrades.

The wire centers of HRLMMTXCDS0 in Harlem, MT and DDSNMTXCRS1 in Dodson, MT are in the process of being cutover to FTTH and will be capable of providing the same high-quality gigabit active Ethernet service offerings. The estimated value of this upgrade is 13.8 million dollars.

The remaining eight (8) wire centers of MOORMTXCRS1 in Moore, MT, HBSNMTXCRS1 in Hobson, MT, JDGPMTXCRS1 in Judith Gap, MT, STFRMTXCRS1 in Stanford, MT, DNTNMTXCRS1 in Denton, MT, MRDLMTXCRS1 in Martinsdale, MT, HRTNMTXCRS1 in Harlowton, MT, and GLDNMTXCRS1 in Geraldine, MT have already been upgraded to 18Kft customer service areas (CSA's) and have cost approximately 17.1 million dollars to complete. These upgrades have been completed with access equipment that, while state of the art at the time of installation, is now nearing its maximum capabilities from a bandwidth delivery standpoint.

Central is continually updating and growing its data network with (7) Cisco ASR9K routers and (1) Cisco 7609 router presently deployed. An estimated 1.7 million dollars have been invested in this data network to date. This investment has allowed Central to create two network diverse Internet Service Provider (ISP) POP's with our state wide network, Vision Net, which creates a more resilient network during an accidental fiber cut. In addition, Central upgraded its switching network in 2010 to an all IP Genband Soft Switch platform.

**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

Network protection and route redundancy have been one of the focal points for Central during the past few years. This protection and redundancy plan has included the investment in two (2) large fiber optic rings and Dense Wave Division Multiplexing (DWDM) equipment totaling an estimated 1.6 million dollars to complete. In 2014, Central will benefit from the turn-up of a third fiber optic ring which will provide network protection and redundancy to the lower third of our network making our entire network ring protected.

All of the above mentioned upgrades have utilized USF support, combined with RUS funding, to provide reliable, state-of-the-art, high-quality voice and broadband services to the 6,796 rural customers that Central serves. Central received USF HCL support totaling \$7,844,454 and \$9,108,267 in 2012 and 2013 respectively.

The 5 year plan below shows how Central intends to upgrade its network so that a minimum broadband speed of 4/1 Mbps can be offered to a larger portion of our customer base and to maintain high-quality voice service. The subscribers who do not have broadband service meeting the 4/1 Mbps standard will be provided service at the 4/1 Mbps standard upon a reasonable request with the priorities to be determined by Central.

Central anticipates that it will make the following improvements and/or upgrades to its network over the next five years:

<b>2015 Projected Network Improvements/Upgrades VOICE</b>				
<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Upgrade existing access platform from TDM to VoIP in the towns in the Geraldine and Judith Gap Exchange. Upgrade provides MGCP interface to soft switch.	April 2014	February 2015	Geraldine and Judith Gap Exchanges Town	208
Upgrade existing access platform with bigger uplinks for voice and data in the Stanford and Denton Exchanges.	January 2015	December 2015	Stanford and Denton Exchanges	635
Rebuild 10 CSA's into 2 larger Fiber to the Home Super Nodes. Replace 102 miles of copper with fiber for Geraldine residential and business customers.	January 2014	December 2015	Geraldine Exchange Rural	79
Fiber to the Home - Replace 250 miles	January 2011	April 2015	Harlem	

**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

of copper with fiber for residential and business customers in the Harlem Exchange.			Exchange	918
Install Fire Suppression system at the FTBK Fiber Hut in the Harlem Exchange.	August 2015	December 2015	Harlem Exchange	469
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2015	December 2015	All CMC Exchanges	6,796

**2016 Projected Network Improvements/Upgrades VOICE**

<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Rebuild 7 CSA's into 1 large Fiber to the Home Super Node. Replace 86 miles of copper with fiber for Moore residential and business customers.	January 2015	December 2016	Moore Exchange Rural	78
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2016	December 2016	All CMC Exchanges	6,796

**2017 Projected Network Improvements/Upgrades VOICE**

<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Rebuild 4 CSA's into 1 larger Fiber to the Home Super Node. Replace 42 miles of copper with fiber for Judith Gap residential and business customers.	January 2016	December 2017	Judith Gap Exchange Rural	40
Rebuild 10 CSA's into 3 larger Fiber to the Home Super Nodes. Replace 74 miles of copper with fiber for	January 2016	December 2017	Harlowton Exchange Rural	85



**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

Harlowton residential and business customers.				
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2017	December 2017	All CMC Exchanges	6,796

**2018 Projected Network Improvements/Upgrades VOICE**

<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Rebuild 4 CSA's into 1 larger Fiber to the Home Super Node. Replace 38 miles of copper with fiber for Denton residential and business customers.	January 2017	December 2018	Denton Exchange Rural	38
Rebuild 6 CSA's into 3 larger Fiber to the Home Super Nodes. Replace 90 miles of copper with fiber for Hobson residential and business customers.	January 2017	December 2018	Hobson Exchange Rural	160
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2018	December 2018	All CMC Exchanges	6,796

**2019 Projected Network Improvements/Upgrades VOICE**

<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Rebuild 4 CSA's into 1 larger Fiber to the Home Super Node. Replace 40 miles of copper with fiber for Stanford residential and business customers.	January 2018	December 2019	Stanford Exchange Rural	52
Rebuild 6 CSA's into 2 larger Fiber to the Home Super Nodes. Replace 41 miles of copper with fiber for	January 2018	December 2019	Martinsdale Exchange Rural	73

**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

Martinsdale residential and business customers.				
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2019	December 2019	All CMC Exchanges	6,796



**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

<b>2015 Projected Network Improvements/Upgrades BROADBAND</b>				
<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Upgrade existing access platform with bigger uplinks for voice and data in the Stanford and Denton Exchanges.	January 2015	December 2015	Stanford and Denton Exchanges	635
Rebuild 10 CSA's into 2 larger Fiber to the Home Super Nodes. Replace 102 miles of copper with fiber for Geraldine residential and business customers.	January 2014	December 2015	Geraldine Exchange Rural	79
Upgrade existing access platform from ATM over TDM to ATM over Ethernet in the rural parts of the Geraldine and Judith Gap Exchanges.	January 2014	December 2015	Geraldine and Judith Gap Exchanges Rural	168
Fiber to the Home - Replace 250 miles of copper with fiber for residential and business customers in the Harlem Exchange.	January 2011	April 2015	Harlem Exchange	918
Install Fire Suppression system at the FTBK Fiber Hut in the Harlem Exchange.	August 2015	December 2015	Harlem Exchange	469
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2015	December 2015	All CMC Exchanges	6,796

<b>2016 Projected Network Improvements/Upgrades BROADBAND</b>				
<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Upgrade existing access platform with VDSL Cards for data in the town of Stanford.	January 2015	December 2016	Stanford Exchange	257
Upgrade existing access platform with	January 2015	December 2016	Denton	161

**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

VDSL Cards for data in the town of Denton.			Exchange	
Rebuild 7 CSA's into 1 large Fiber to the Home Super Node. Replace 86 miles of copper with fiber for Moore residential and business customers.	January 2015	December 2016	Moore Exchange Rural	78
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2016	December 2016	All CMC Exchanges	6,796
Install equipment to provide fixed wireless broadband service.	January 2014	December 2016	Denton Exchange	249

<b>2017 Projected Network Improvements/Upgrades BROADBAND</b>				
<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Upgrade existing access platform from ATM over TDM to ATM over Ethernet in the rural part of the Harlowton Exchange.	January 2016	December 2017	Harlowton Exchange Rural	223
Rebuild 4 CSA's into 1 larger Fiber to the Home Super Node. Replace 42 miles of copper with fiber for Judith Gap residential and business customers.	January 2016	December 2017	Judith Gap Exchange Rural	40
Rebuild 10 CSA's into 3 larger Fiber to the Home Super Nodes. Replace 74 miles of copper with fiber for Harlowton residential and business customers.	January 2016	December 2017	Harlowton Exchange Rural	85
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration.	January 2017	December 2017	All CMC Exchanges	6,796

**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

Replace batteries as needed.				
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<b>2018 Projected Network Improvements/Upgrades BROADBAND</b>				
<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Rebuild 4 CSA's into 1 larger Fiber to the Home Super Node. Replace 38 miles of copper with fiber for Denton residential and business customers.	January 2017	December 2018	Denton Exchange Rural	38
Rebuild 6 CSA's into 3 larger Fiber to the Home Super Nodes. Replace 90 miles of copper with fiber for Hobson residential and business customers.	January 2017	December 2018	Hobson Exchange Rural	160
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2018	December 2018	All CMC Exchanges	6,796

<b>2019 Projected Network Improvements/Upgrades BROADBAND</b>				
<b>Project Description</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Area Served</b>	<b>Population Served</b>
Rebuild 4 CSA's into 1 larger Fiber to the Home Super Node. Replace 40 miles of copper with fiber for Stanford residential and business customers.	January 2018	December 2019	Stanford Exchange Rural	52
Rebuild 6 CSA's into 2 larger Fiber to the Home Super Nodes. Replace 41 miles of copper with fiber for Martinsdale residential and business customers.	January 2018	December 2019	Martinsdale Exchange Rural	73
Load test the battery plants at all 13 wire centers and 148 DLC locations for capacity and physical deterioration.	January 2019	December 2019	All CMC Exchanges	6,796

**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

Replace batteries as needed.				
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**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

The Company projects that the capital expenditures, by Part 32 account, for 2015 through 2019 for the projects related to VOICE services listed above will be:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2110 Land & General Support	0	0	0	0	0
2210 Central Office Switching	360,000	360,000	360,000	360,000	360,000
2230 Central Office Transmission	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000
2410 Cable & Wire Facilities	1,770,000	1,770,000	1,770,000	1,770,000	1,770,000
Total Capital Expenditures	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000

In addition to the above planned capital expenditures, the Company projects that it will incur the following operating expenses related to VOICE services, by expense category, over the next five years:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Plant Specific	1,400,000	1,480,000	1,570,000	1,670,000	1,770,000
Plant Nonspecific	970,000	1,030,000	1,100,000	1,160,000	1,230,000
Depreciation	4,050,000	4,300,000	4,560,000	4,830,000	5,120,000
Customer Operations	590,000	630,000	660,000	700,000	750,000
Corporate Operations	780,000	830,000	880,000	930,000	990,000
Total Operating Expenses	7,790,000	8,270,000	8,770,000	9,290,000	9,860,000



**Annual Reporting for High-Cost Recipients**  
**47 C.F.R. §54.313**  
**Central Montana Communications, Inc.**

The Company projects that the capital expenditures, by Part 32 account, for 2015 through 2019 for the projects related to BROADBAND services listed above will be:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2110 Land & General Support	0	0	0	0	0
2210 Central Office Switching	180,000	180,000	180,000	180,000	180,000
2230 Central Office Transmission	630,000	630,000	630,000	630,000	630,000
2410 Cable & Wire Facilities	910,000	910,000	910,000	910,000	910,000
Total Capital Expenditures	1,720,000	1,720,000	1,720,000	1,720,000	1,720,000

In addition to the above planned capital expenditures, the Company projects that it will incur the following operating expenses related to BROADBAND services, by expense category, over the next five years:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Plant Specific	720,000	760,000	810,000	860,000	910,000
Plant Nonspecific	890,000	940,000	1,000,000	1,050,000	1,110,000
Depreciation	2,380,000	2,540,000	2,700,000	2,880,000	3,030,000
Customer Operations	570,000	610,000	640,000	680,000	720,000
Corporate Operations	400,000	430,000	450,000	480,000	510,000
Total Operating Expenses	4,960,000	5,280,000	5,600,000	5,950,000	6,280,000

**Central Montana Communications, Inc.**  
Annual 54.313 Report of High-Cost Recipient

Unfulfilled Service Requests - Voice

Central Montana Communications, Inc. (Central) had two unfulfilled service requests during 2013. Both requests required construction to the subscriber premise. For one of the requests, an easement was not signed until after the ground froze and the construction season was over for the winter. Construction to this location was completed in the spring of 2014. For the other location, Central Montana Communications is in the process of upgrading the entire exchange to fiber to the premise including plowing fiber to this location. The construction phase of the upgrade project is complete and we will begin installing electronics at each customer premise and cutting them over to the fiber later this year.

**Central Montana Communications, Inc.**  
Annual 54.313 Report of High-Cost Recipient

Satisfaction of Service Quality Standards and Consumer Protection Rules - Voice

Service Quality Standards

Central Montana Communications, Inc. (Central) is required to meet the service standards of the State of Montana as promulgated in the Montana Administrative Rules 38.5.3301-3371, Telecommunications Service Standards. New employees are trained on the internal processes designed to meet those standards as required by their job functions. Management reviews procedures on a regular basis to ensure that we remain in compliance with the standards.

Consumer Protection

Central complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is reviewed annually. Central uses outside consultants to ensure that the manuals and processes remain current and in compliance with the rules. Employee training is conducted on an as needed basis and new hires are instructed on the programs as required by their job functions. Management reports to the Central Board annually any activities during the prior year related to these rules.

**Central Montana Communications, Inc.**  
Annual 54.313 Report of High-Cost Recipient

Satisfaction of Service Quality Standards and Consumer Protection Rules - Broadband

Service Quality Standards

Central Montana Communications, Inc. (Central) follows the service standards of the State of Montana as promulgated in the Montana Administrative Rules 38.5.3301-3371, Telecommunications Service Standards, for its broadband practices where the rules are applicable. New employees are trained on the internal processes designed to meet those standards as required by their job functions. Management reviews procedures on a regular basis to ensure that we remain in compliance with the standards.

Consumer Protection

Central complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is reviewed annually. Central uses outside consultants to ensure that the manuals and processes remain current and in compliance with the rules. Employee training is conducted on an as needed basis and new hires are instructed on the programs as required by their job functions. Management reports to the Central Board annually any activities during the prior year related to these rules.

In addition, Central complies with the requirements of 47 CFR Part 8, Preserving the Open Internet, by disclosing its network management practices, performance characteristics, and terms and conditions of broadband service offerings.

**Central Montana Communications, Inc.**  
Annual 54.313 Report of High-Cost Recipient

Ability to Remain Functional in Emergency Situations - Voice

Back-up Power

Central Montana Communications, Inc. (Central) has generator and battery backup at each of its host switch locations. In addition, each remote switch location has either a generator or battery backup or both. Ninety two percent of Central's digital loop carriers have either battery or generator backup.

Approximately 50% of Central's subscribers are served with copper connections to the central office and their NIDs are powered from the central office. The remaining subscribers have fiber optic connections to the central office. These customers' NIDs are battery powered in case of emergency. The batteries are rated to last 48 hours with no use and 8 hours with constant use.

Ability to reroute traffic around damaged facilities

Central has built redundant facilities between its exchanges in the form of a SONET ring using the physical facilities of Triangle Telephone Cooperative Assn., Inc. (Triangle) and Central on the following routes:

Havre to Fort Benton to Chester to Havre  
Havre to Chinook  
Harlem to Dodson to Malta  
Big Sandy to Winifred to Moore to Fort Benton  
Winifred to Billings to Big Timber to Moore

Capability to manage traffic spikes resulting from emergency situations

Central uses the tandems of Triangle to connect to the public switched telephone network. At its Havre tandem, Triangle serves 11,718 access lines, has switching capacity of 6,720 simultaneous calls, and transport capacity for 6,720 simultaneous calls.

At its Big Timber tandem, Triangle serves 4,692 access lines, has switching capacity of 5,209 simultaneous calls, and transport capacity for 3,456 simultaneous calls.

Central/Triangle take no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

**Central Montana Communications, Inc.**  
Annual 54.313 Report of High-Cost Recipient

Ability to Remain Functional in Emergency Situations – Broadband

Back-up Power

Central Montana Communications, Inc. (Central) has generator and battery backup at each of its router locations. Ninety two percent of Central's digital loop carriers have either battery or generator backup.

Approximately 50% of Central's subscribers are served with copper connections to the central office and their NIDs are powered from the central office. The remaining subscribers have fiber optic connections to the central office. These customers' NIDs are battery powered in case of emergency. The batteries are rated to last 48 hours with no use and 8 hours with constant use.

Ability to reroute traffic around damaged facilities

Central has built redundant facilities between its exchanges in the form of a ring using the physical facilities of Triangle Telephone Cooperative Assn., Inc. and Central Montana Communications, Inc., on the following routes:

Havre to Fort Benton to Chester to Havre  
Havre to Chinook  
Harlem to Dodson to Malta  
Big Sandy to Winifred to Moore to Fort Benton  
Winifred to Billings to Big Timber to Moore

Central has two connections to the statewide network provider, Vision Net, which is used to access Tier I Internet carriers. In turn, Vision Net has redundant routes to the Tier I carriers.

Capability to manage traffic spikes resulting from emergency situations

Central has four 1Gig uplinks to Vision Net, two in Havre and two in Billings. This Internet service is distributed throughout our 10GigE core network.

Across the four GigE links we use on average approximately 900 Mbps down and peak around 1850 Mbps down. This equates to about 23% of capacity on average and 46% at peak times.

Central takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.



**(700) Price Offerings including Voice Rate Data  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	483310
<015>	Study Area Name	CENTRAL MONTANA
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

<703>

[illegible]

<b>(710) Broadband Price Offerings</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	483310
<015>	Study Area Name	CENTRAL MONTANA
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext. 855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

[illegible]

(800) Operating Companies  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	483310
<015>	Study Area Name	CENTRAL MONTANA
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext. 855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net
<810>	Reporting Carrier	Central Montana Communications, Inc.
<811>	Holding Company	NA
<812>	Operating Company	NA

[illegible]

**Central Montana Communications, Inc.**  
Annual 54.313 Report of High-Cost Recipient

**Compliance with Tribal Government Engagement**

**Fort Belknap Indian Reservation**

During 2013, Central Montana Communications had several meetings with the Fort Belknap Tribal Council the first of which took place on January 25, 2013. These meetings focused on the status of the fiber to the home project taking place on the northern portion of the Fort Belknap Indian Reservation during 2013. We also discussed plans to provide broadband service through a fixed wireless solution to the southern half of the Reservation in 2014. Other items discussed during the meetings included:

- Deployment planning with a focus on Tribal community anchor institutions;
- Feasibility and sustainability planning;
- Marketing services in a culturally sensitive manner;
- Rights of way processes, land use permitting, facilities siting, environmental and cultural preservation review processes to determine that construction will be done appropriately; and
- Compliance with Tribal business and licensing requirements.

A copy of the Fort Belknap Indian Community business license is attached.



## Fort Belknap Indian Community

### TERO Department

R.R. 1 Box 66  
Harlem, Montana 59526  
Ph: (406) 353-8437 Cell: (406) 399-6270  
Cell: (406) 399-0141



### Tribal Employment Rights Office

PHONE (406) 353-8473  
Fax (406) 353-4541

### BUSINESS LICENSE

NO. 2013-04

**This Business License is issued by the Fort Belknap Indian Community  
Tribal Employment Rights Office pursuant to the authority of Section (5)  
and (6) of Fort Belknap Ordinance No. 03-2004 (Tribal Employment  
Right Ordinance), as amended,**

NAME OF BUSINESS: Triangle Communications/Central MT Communications

OWNER (S) OF BUSINESS: Triangle Communications/Central MT Communications

TYPE OF BUSINESS: Communications

Bruce Buzz Doney, Director  
Fort Belknap T.E.R.O.

1-3-13

DATE OF ISSUANCE  
January 3, 2013



**Central Montana Communications, Inc.**  
Annual 54.313 Report of High-Cost Recipient

Voice Services Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (10 ) Central Montana Communications, Inc. ("Central") is in compliance with the requirement that voice services is no more than two standard deviations above the national average urban rate for voice service of \$46.96 as specified in Public Notice DA 14-384 issued on March 20, 2014. Central's current total local end-user rate<sup>1</sup> of \$21.50 (which includes a local fee of \$14.50 and mandatory extended area service charges of \$7.00) is not above the standard deviation as specified in the USF/ICC Transformation Order.<sup>2</sup>

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<sup>1</sup> Local End User Rate as defined in USF/ICC Transformation Order 26 FCC Rcd at 17751, Para. 238

<sup>2</sup> USF/ICC Transformation Order, 26 FCC Rcd at 17694, Para. 84 (footnote included) "The standard deviation is a measure of dispersion. The sample standard deviation is the square root of the sample variance. The sample variance is calculated as the sum of the squared deviations of the individual observations in the sample of data from the sample average divided by the total number of observations in the sample minus one. In a normal distribution, about 68 percent of the observations lie within one standard deviation above and below the average and about 95 percent of the observations lie within two standard deviations above and below the average."

**Central Montana Communications, Inc.**  
Annual 54.313 Report of High-Cost Recipient

Lifeline Terms and Conditions

Central Montana Communications, Inc. (Central) offers Lifeline discounts on its residential phone service to qualifying subscribers. Residential telephone service costs \$14.50 per month and includes unlimited local minutes. If the subscriber resides in an EAS area, there is an additional charge of \$7 per month for unlimited minutes calls made to locations within the EAS area.<sup>1</sup>

Lifeline eligible subscribers may apply their Lifeline discount to bundles of service which include a voice component. Where a Lifeline subscriber makes only a partial payment for a bundled service package, Central applies the partial payment first to the allocated price of the voice telephony service component of the bundle and then to the cost of any additional services included in the bundled package.

Toll charges are assessed by the long distance provider selected by the subscriber. Central provides toll blocking service to Lifeline eligible subscribers at no charge. Lifeline eligible subscribers that choose toll blocking service are not required to pay a deposit for their service.

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<sup>1</sup> The subscriber has the option of a flat rate EAS charge of \$3 per month combined with a \$0.05 per minute of use charge capped at \$7.50 per month.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> <b>BORROWER NAME</b> Central Montana Communications, Inc  (Prepared with Audited Data)	
<b>INSTRUCTIONS</b> -Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	<b>PERIOD ENDING</b> December, 2013	<b>BORROWER DESIGNATION</b> MT0528
<b>CERTIFICATION</b>  We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. <b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>  <b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b> <i>(Check one of the following)</i>  <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.                 </div> <div style="width: 45%;"> <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report                 </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <b>Richard Stevens</b> </div> <div style="width: 45%;"> <b>3/31/2014</b>                      DATE                 </div> </div>		

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	8,351,064	1,005,681	25. Accounts Payable	1,726,434	1,163,433
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	381,886	365,707
a. Telecom, Accounts Receivable	987,365	1,090,394	28. Customer Deposits	42,895	52,700
b. Other Accounts Receivable			29. Current Mat. L/T Debt	3,039,000	2,209,911
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued	11,249,048	12,865,513
b. Other Accounts Receivable	977,263	1,025,422	33. Other Taxes Accrued	713,700	710,312
c. Notes Receivable	18,852	24,421	34. Other Current Liabilities	201,293	199,959
5. Interest and Dividends Receivable	7,778	6,664	35. Total Current Liabilities (25 thru 34)	17,354,256	17,567,535
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	16,864,928	13,495,938
8. Prepayments	137,652	145,467	37. Funded Debt-RTB Notes	127,378	99,111
9. Other Current Assets			38. Funded Debt-FFB Notes	14,165,565	19,320,351
10. Total Current Assets (1 thru 9)	10,479,974	3,298,049	39. Funded Debt-Other	189,478	
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development	30,562	31,860	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	4,713,978	4,201,039	46. Total Long-Term Debt (36 thru 45)	31,347,349	32,915,400
13. Nonregulated Investments	1,947		<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	4,746,487	4,232,899	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-In-Service	99,670,255	96,714,322	51. Cap. Stock Outstand. & Subscribed	6,390,000	6,390,000
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	3,330,704	16,962,302	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	35,677,125	34,563,422	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	67,323,834	79,113,202	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	27,458,690	29,771,215
			58. Total Equity (51 thru 57)	33,848,690	36,161,215
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		
	82,550,295	86,644,150		82,550,295	86,644,150

Total Equity = 41.74% % of Total Assets



USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0528	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2013	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		3,630,930	3,570,664
2. Network Access Services Revenues		12,663,762	13,777,475
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues		92,291	80,944
5. Miscellaneous Revenues		85,873	131,358
6. Uncollectible Revenues		14,589	992
7. Net Operating Revenues (1 thru 5 less 6)		16,458,267	17,559,449
8. Plant Specific Operations Expense		1,883,722	1,891,311
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		1,535,396	1,674,359
10. Depreciation Expense		4,965,971	5,726,231
11. Amortization Expense		0	0
12. Customer Operations Expense		1,054,221	1,043,262
13. Corporate Operations Expense		1,167,131	1,063,615
14. Total Operating Expenses (8 thru 13)		10,606,441	11,398,778
15. Operating Income or Margins (7 less 14)		5,851,826	6,160,671
16. Other Operating Income and Expenses			
17. State and Local Taxes		241,656	253,628
18. Federal Income Taxes		1,057,475	1,191,300
19. Other Taxes		1,443,670	1,438,108
20. Total Operating Taxes (17+18+19)		2,742,801	2,883,036
21. Net Operating Income or Margins (15+16-20)		3,109,025	3,277,635
22. Interest on Funded Debt		1,266,071	1,258,389
23. Interest Expense - Capital Leases			
24. Other Interest Expense		2,027	1,864
25. Allowance for Funds Used During Construction		520,534	209,291
26. Total Fixed Charges (22+23+24-25)		747,564	1,050,962
27. Nonoperating Net Income		59,207	155,988
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		(139,713)	(70,136)
31. Total Net Income or Margins (21+27+28+29+30-26)		2,280,955	2,312,525
32. Total Taxes Based on Income		1,299,132	1,444,928
33. Retained Earnings or Margins Beginning-of-Year		25,177,735	27,458,690
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		27,458,690	29,771,215
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		5,698,451	4,362,243
45. Cash Ratio [(14+20-10-11) / 7]		0.5094	0.4872
46. Operating Accrual Ratio [(14+20+26) / 7]		0.8565	0.8732
47. TIER [(31+26) / 26]		4.0512	3.2004
48. DSCR [(31+26+10+11) / 44]		1.4029	2.0837

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0528	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2013	
PART I – STATEMENT OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	8,351,064	
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income	2,312,525	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3.	Add: Depreciation	5,726,231	
4.	Add: Amortization	0	
5.	Other (Explain)		
Changes in Operating Assets and Liabilities			
6.	Decrease/(Increase) in Accounts Receivable	(151,188)	
7.	Decrease/(Increase) in Materials and Inventory	0	
8.	Decrease/(Increase) in Prepayments and Deferred Charges	(7,815)	
9.	Decrease/(Increase) in Other Current Assets	0	
10.	Increase/(Decrease) in Accounts Payable	(563,001)	
11.	Increase/(Decrease) in Advance Billings & Payments	(16,179)	
12.	Increase/(Decrease) in Other Current Liabilities	1,611,743	
13.	Net Cash Provided/(Used) by Operations	8,912,316	
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable	(5,569)	
15.	Increase/(Decrease) in Notes Payable	0	
16.	Increase/(Decrease) in Customer Deposits	9,805	
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	738,962	
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	0	
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0	
20.	Less: Payment of Dividends	0	
21.	Less: Patronage Capital Credits Retired	0	
22.	Other (Explain) Balance Sheet Lines 5,32,33	1,513,926	
23.	Net Cash Provided/(Used) by Financing Activities	2,257,124	
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)	(10,675,665)	
25.	Other Long-Term Investments	513,588	
26.	Other Noncurrent Assets & Jurisdictional Differences	0	
27.	Other (Explain) Plant retirement not accounted for	(8,352,746)	
28.	Net Cash Provided/(Used) by Investing Activities	(18,514,823)	
29.	Net Increase/(Decrease) in Cash	(7,345,383)	
30.	Ending Cash	1,005,681	

Revision Date 2010